## REMARKS

The Applicant has filed the Supplementary Amendment and Response in reply to the outstanding Final Office Action of May 19, 2004 and the Advisory Action of September 20, 2004, and the Applicant believes the Response to be fully responsive to the Final Official Action for reasons set forth below in greater detail. Applicant respectfully requests the Examiner to reconsider the present application in light of the present amendment and response.

At the onset, the Applicant would like to express appreciation for the Examiner's indication that Claims 1, and 3-4 are allowed.

Applicant would like to note that Claims 2 and 5 have been amended herewith. Specifically, the limitation regarding the movement decision means has been amended to clarify how the movement means decides the value of the movement. The movement decision means decides the value based on a difference of the number between the DCT coefficients output from a DCT conversion step and the DCT coefficients of the previous frame that was pre-retained. No new matter has been added by the above-noted amendment. Applicant invites the Examiner to review pages 27-28 for support.

Applicant respectively submits that the cited reference Kim fails to teach each and every limitation of amended Claims 2 and 5. Kim teaches that watermarked DCT coefficients are decided so that wuvb is set to 0 when Xubv <=JND1. See Kim page 105, first column, line 25. In other words, the individual computation is made with each of the u-th and the v-th values in the b block.

In stark contrast, the claimed invention indiscriminately determines the magnitude of a movement frame by frame based on a difference with the previous frame by employing a DCT coefficient generation amount V(t). The movement decision unit calculates the difference between V(T) DCT coefficients obtained from the DCT converter and the V(t-1) DCT coefficients of the front frame previously held. If the difference value exceeds a certain threshold value, the movement decision unit decides that the movement is large. If the difference value is less than a certain threshold value, the movement decision unit decides that the movement is small.

Also, the Applicant would like to note that Claim 8 has been added. Claim 8 is directed to similar subject matter as allowed Claim 1, however, Claim 1 recites elements in a means-plus-function format and Claim 8 does not contain any means-plus-function limitations. No new matter or issue has been added by the additional claim.

In the Final Office Action, the Examiner maintains his rejection of Claims 2, and 5-6. Specifically, the Examiner rejected Claim 2 under 35 U.S.C. §103(a) as being unpatentable over Florencio et al. (U.S. Patent No. 6,208,745) (hereinafter "Florencio") in view of Kim. The Examiner also rejected Claims 5-6 under 35 U.S.C. § 103(a) as being unpatentable over Florencio in view of Kim and in further view of Satoh.

We respectfully traverse the Examiner's rejection with at least the following analysis. Florencio fails to teach an electronic watermark data table for storing electronic watermark data arranged in accordance with the picture type. At best, Florencio discloses a storage device where a picture header, and accompanying data, macroblocks and their

constituent blocks of quantized DCT coefficients are sequentially stored. However, Florencio does not teach that the watermark table is stored in the storage device 200. Figure 2 illustrates that an address is storage in the storage device and data from the block level bitstream is stored, however, the watermark data is not inputted into the storage device. Thus, the hypothetically combined system of Florencio and Kim does not teach or suggest all of the limitations of the claims.

In view of the foregoing, the Applicant respectfully requests the Examiner to withdraw the rejections of Claims 2, 5-6 pursuant to 35 U.S.C. §103(a).

In conclusion, the Applicant believes that the above-identified application is in condition for allowance and henceforth respectfully solicits the allowance of the application. If the Examiner believes a telephone conference might expedite the allowance of this application, the Applicant respectfully requests that the Examiner call the undersigned, Applicant's attorney, at the following telephone number: (516) 742-4343.

Respectfully submitted,

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